

PENSIONS  
INVESTMENTS  
LIFE INSURANCE



**Irish Life**

# YOUR GUIDE TO THE SELF-INVESTED DEPOSIT FUND

DEPOSITS AT YOUR FINGERTIPS

Available through your Personal Retirement Savings Account Plan



## ABOUT US

Established in Ireland in 1939, Irish Life is now part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations.

Information correct as at October 2015. For the latest information, please see [www.irishlife.ie](http://www.irishlife.ie).

## SELF-INVESTED DEPOSIT FUND

This fund allows you to move some of your pension fund into a fund where you are in control of the investment decisions.

This guide describes in more detail how the Self-Invested Deposit Fund works and you should read it with your product booklet.



Where we refer to 'our', 'us' or 'we' in this guide, we are referring to Irish Life Assurance plc (Irish Life).

Throughout this guide we refer to 'you'.

For Personal Retirement Savings Accounts (PRSAs), 'you' refers to the plan owner.

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The information in this booklet is correct as at October 2015 but may change.

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## INTRODUCTION

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### WHAT IS THE SELF-INVESTED DEPOSIT FUND?

The Self-Invested Deposit Fund is one of a number of funds available within your PRSA plan. This is a unique fund as it gives you control over which deposit accounts (from a panel of deposit providers) you invest your pension fund in.

When this fund is set up, it becomes an investment fund unique to you on your pension plan. You do not have to invest your entire pension fund in the Self-Invested Deposit Fund. You can split your pension fund between the Self-Invested Deposit Fund and the other funds we offer.

The advantage of the Self-Invested Deposit Fund is that it allows you to combine the convenience of a traditional pension plan with the freedom and flexibility of choosing the deposits that your pension invests in. The minimum initial amount you can invest in the Self-Invested Deposit Fund is €20,000.

You can only invest in euro deposits through the Self-Invested Deposit Fund.

### PLEASE NOTE

Irish Life will not be held liable for any acts, errors or omissions of the third party service providers or any other third party.





## Who might find this fund suitable?

- ✓ You are looking for a fund that offers you a choice of deposit account investments. You like to take control of, and be responsible for, your deposit account investments. We will not check the quality of the investment or how it could perform. We will not check if this fund suits your financial needs. Therefore, this fund is suitable if you have more investment experience or access to an authorised investment adviser who will give you advice on each deposit account you are considering.
- ✓ You have at least €20,000 to invest in this fund.
- ✓ You want to invest one-off contributions (this fund is more suitable for one-off contributions).
- ✓ You are happy that you can only invest in deposits in this fund and are happy with the panel of providers available to you. Please note that we may change this panel from time to time without notice.
- ✓ You would like to take advantage of the tax relief available on pension contributions.
- ✓ You are satisfied that the risk rating of the fund is 7 being the highest risk and are happy you understand the risk associated with the deposits available through the fund and you have considered the need for diversification.
- ✓ You understand you hold the counterparty risk with any deposit and are comfortable with that exposure.
- ✓ You have a substantial overall pension fund of which only a small proportion will be invested in deposits.

## Who is less likely to find this fund suitable?

- ✗ You do not want a fund where you can choose your own deposit account investments. You are not comfortable with the control and responsibility that comes with this fund.
- ✗ You have less than €20,000 to invest in this fund.
- ✗ You want to pay regular contributions.
- ✗ You are not happy with the panel of deposit providers available to you.
- ✗ You are not currently paying income tax, and cannot take advantage of the tax relief available on pension contributions.
- ✗ You are not happy with the risk rating of the fund and the risk associated with the deposits available and you do not feel you are adequately diversified.
- ✗ You are not happy to hold the counterparty risk and are not comfortable with that type of exposure.
- ✗ You do not want a pension fund where only a small proportion is invested in deposits.

## THE CHARGES

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Your pension plan is subject to charges which are outlined in your product booklet, Fund Guide and the plan's Terms and Conditions.

On investment into the Self-Invested Deposit Fund, the following charges will apply:

### FUND CHARGE

A fund charge is deducted based on the value of the Self-Invested Deposit Fund. The fund charge is currently accrued daily, based on the most up to date value of the Self-Invested Deposit Fund and deducted monthly from the Liquidity Account. We may change this calculation methodology in the future. This charge is outlined in the Fund Guide and plan Terms and Conditions. See section 4, The Liquidity Account, for further details on the Liquidity Account.

### OVERDRAWN CHARGE

The requirement to have sufficient liquidity in the Self-Invested Deposit Fund is outlined in section 4, The Liquidity Account. If it happens that there is insufficient cash in the Liquidity Account and it becomes overdrawn, Irish Life reserves the right to charge interest on the overdrawn balance at current market rates. We also reserve the right to sell assets in the Self-Invested Deposit Fund to clear any overdrawn balance. The timing of any sale will be at our discretion and we will not be liable for any loss incurred as a result.

### BREAKAGE CHARGE

For deposits that are based on a fixed term and where the deposit provider agrees to facilitate a breakage, you may be charged a breakage charge (by the deposit provider you place the deposit with) if you require access to the funds before the fixed term ends. This charge is taken from the amount invested in the fixed term deposit account before it is transferred back to the Liquidity Account.

The level of charges on the Self-Invested Deposit Fund may change in the future without notice. Please check with your authorised investment adviser or our Self-Invested Fund team for current charges before you invest.

## THE SELF-INVESTED DEPOSIT FUND IN MORE DETAIL

This fund allows you to invest in deposits with a number of deposit providers as outlined below. There are two types of deposit accounts available, fixed term deposit accounts and demand deposit accounts.



### DEPOSIT PROVIDERS AVAILABLE AS AT OCTOBER 2015

- AIB plc
- Bank of Ireland
- Investec Bank plc
- KBC Bank Ireland plc
- Permanent tsb plc (PTSB)
- Rabo Direct

Current fixed term deposit accounts range from 2 month fixed to 5 year fixed and may be subject to change.

Please speak to your authorised investment adviser for further information on the range of deposits available.

From time to time we may add to or change the deposit providers and the range of deposit options. Your authorised investment adviser will have up to date details of the deposit providers on our panel and the terms available. We explain the deposit accounts available to you in more detail on this page.

### FIXED TERM DEPOSIT ACCOUNTS

A fixed term deposit account is a deposit with a fixed return for a fixed amount of time. If you invest in a fixed term deposit account, the deposit will mature at the end of the fixed term. Interest on a fixed term deposit may be paid back at maturity or periodically during the term depending on the actual investment. At maturity, the deposit and any interest remaining will be moved back to the Liquidity Account within the Self-Invested Deposit Fund until we receive an investment instruction from you. You should make sure before you invest that you are comfortable that the investment is locked-in for the full term. If you want to withdraw from a fixed term deposit early and the deposit provider agrees to break the deposit, breakage charges may be incurred. For advice on this please speak to your authorised investment adviser. Please read 'How to invest' on page 6 for further information.

### DEMAND DEPOSIT ACCOUNT

A demand deposit account is a deposit that allows you to withdraw cash from the deposit at any time. Cash in a demand deposit account stays in the account until we receive an investment instruction from you. The interest earned on a demand deposit account can change from time to time without notice. Please contact your authorised investment adviser or the Self-Invested Fund team for details of current rates.

## HOW INTEREST IS ADDED TO DEPOSIT ACCOUNTS

Depending on your deposit type, interest may be reflected in the value of your plan during the term of a deposit or may be recognised on withdrawal or at maturity. Interest may be paid during the lifetime of the deposit or on withdrawal/maturity depending on the deposit investment. When encashing from the Self-Invested Deposit Fund any interest due will be applied to the Liquidity Account.

For more information please speak to your authorised investment adviser.

When selecting the appropriate deposit please ensure the maturity date of the deposit does not exceed your chosen retirement date.



## HOW TO INVEST

### Investment Instruction Form

You will need to fill in an Investment Instruction Form to invest in a new deposit account. Each time the deposit terms end on a fixed term deposit or you wish to cash in a demand deposit account and you wish to invest in a new deposit account we will need a new Investment Instruction Form from you.

If you need an Investment Instruction Form:

- Simply download a copy online via 'My Online Services' at [www.irishlife.ie](http://www.irishlife.ie).
- Call our Self-Invested Fund team: 01 704 1832
- Email us: [selfinvestedteam@irishlife.ie](mailto:selfinvestedteam@irishlife.ie)

Please note there is a time frame involved in placing a deposit, this may include the time between applying a fixed term deposit maturity to your account and placing reinvestments. During these periods you will not be making a return on your funds. This particularly should be considered where you are investing in shorter fixed term deposits.

## Confirmation of the deposit investment

When you invest in a deposit account you will be able to see your trade confirmation online via 'My Online Services'. You should keep this confirmation at it contains important information. We may change the way in which we make trade confirmations available in the future.

Please note that for demand deposit accounts, where the deposit rate on the trade confirmation is displayed, this is the rate at the time the deposit was placed and is subject to change without notice.

It is important that you monitor the Self-Invested Deposit Fund regularly to ensure you are aware of upcoming maturity dates.

## TAX INFORMATION

Please note that Irish Life is the owner of the deposits in your fund. Currently, these deposits are exempt from DIRT (Deposit Interest Retention Tax).

## DEPOSIT GUARANTEE SCHEME IS NOT APPLICABLE TO YOUR INVESTMENT

Deposits placed through the Self-Invested Deposit Fund are owned by Irish Life. As you are not placing a deposit directly with the deposit provider, the Deposit Guarantee Scheme does not apply to these deposits.

Furthermore, these deposits are not protected by any government or financial institution guarantee scheme.

Some deposits have terms of greater than one year so if you are nearing your chosen retirement date, this investment may not be suitable for you and could delay your retirement / result in breakage charges.





Irish Life's commitment to you is to pass on the full amounts it receives from the deposit providers. Our commitment to you is restricted to the amounts we actually receive from them. No other assets of Irish Life will be used to make up any shortfall.

**Warning: If you invest in this product you may lose some or all of the money you invest.**

**Warning: The value of your investment may go down as well as up.**

**Warning: If you invest in this product you will not have access to your money until age 60 and/or you retire.**

## THE LIQUIDITY ACCOUNT

We referred to liquidity earlier in this guide. In this section we discuss liquidity and the Liquidity Account in detail.

### WHAT IS LIQUIDITY?

When you invest in the Self-Invested Deposit Fund you have your own unique fund. Your initial investment will sit in a cash account in this fund until you tell us how to invest your money. Also, when the term on a fixed term deposit account ends or you want to cash in your deposit from a demand deposit account, its value is moved to this cash account in your fund. This cash account is called the 'Liquidity Account' and the cash balance in this account is known as 'liquidity'.

All funds in the Liquidity Account will be placed with counterparties chosen by Irish Life. Irish Life's commitment to you is to pass on the full amounts it receives from these counterparties in respect of the Liquidity Account. Our commitment to you is restricted to the amounts we actually receive from them. No other assets of Irish Life will be used to meet these commitments. This means that if any counterparty is unable to meet its commitment to Irish Life in full you could lose some or all of the amounts held in the Liquidity Account.

Some charges will be deducted directly from the Liquidity Account, for example, the fund charge. Having a Liquidity Account ensures that these charges can be deducted when necessary and without a delay.

In summary, the purpose of the Liquidity Account is:

- to hold funds/balances until further instructions are received from you.
- to pay for the cost of administering the fund.
- to pay the minimum withdrawal amount if applicable (for vested PRSA customers).
- to pay any levy that may be due.

### LIQUIDITY COUNTERPARTY RISK



The funds invested in the Liquidity Account will be placed with counterparties chosen by Irish Life. We will not be held liable for any acts, errors, omissions or any credit or default events of these counterparties. You could lose some or all of the amounts held in the Liquidity Account.

### VESTED PRSA – MINIMUM WITHDRAWALS

As highlighted, the Liquidity Account is also needed to cover minimum withdrawal amounts on vested PRSA plans. Depending on your circumstance you may have to keep up to €63,500 in your vested PRSA (this is called your restricted fund).

If you are invested in a vested PRSA you must take a regular withdrawal of at least 4% from your plan from the year you turn 61 (or 60 if your birthday is the 1st January). From the year you turn 71 (or 70 if your birthday is the

1st January) this minimum withdrawal amount increases to 5%. If no withdrawal has been taken in any given year, we will withdraw this 4% or 5% income depending on your age from the vested PRSA (6% if your fund is greater than €2 million, it is your responsibility to let us know if you have other vested PRSAs with a total value of more than €2 million) and pay it to you in December of that year. This minimum withdrawal amount is liable to income tax, PRSI, the Universal Social Charge (USC) and any other charges or levies (tax) in the same way as if an actual vested PRSA withdrawal has been made.

Currently no minimum withdrawal amounts apply to vested PRSA restricted funds until the year you turn 75. If at any point after changing to or taking out a vested PRSA you satisfy the guaranteed income for life requirements of €12,700 (October 2015) from other sources your vested PRSA ceases to have a restricted fund and the minimum withdrawal amount will apply.

Please see your product booklet and terms and conditions for more information.

## **METHOD USED TO TAKE MINIMUM WITHDRAWALS FROM THE SELF-INVESTED DEPOSIT FUND**

Withdrawals will only be deducted from the Self-Invested Deposit Fund if there is insufficient funding in your other funds in your pension plan. So in the first instance, withdrawals will be taken from other unit linked funds in your plan. If there is insufficient funding available, the withdrawal will then be taken from all the funds, including the Self-Invested Deposit Fund. In this case, the withdrawal amount will be taken in proportion to the investment in each fund. For example, if 50% of your entire fund is invested in the Self-Invested Deposit Fund, then 50% of your withdrawal amount will be deducted from the Liquidity Account.

The method of deducting any minimum withdrawal amounts is at our discretion and may be subject to change without notice.

If there is insufficient cash available in the Self-Invested Deposit Fund Liquidity Account to cover amounts as they fall due, the Liquidity Account will become overdrawn. We reserve the right to charge interest on overdrawn balances at current market rates and to sell assets in the Self-Invested Deposit Fund or other funds you may have in your plan. The timing of any sales will be at our discretion and we will not be liable for any loss incurred as a result.

## **PENSION LEVY**

For pre-retirement plans subject to the government pension levy an additional amount will need to be set aside in the Liquidity Account. Withdrawals due to the pension levy will be taken proportionately from all of the funds in which your pension plan is invested. Please see your product booklet for more details.

## **MINIMUM LIQUIDITY AMOUNT**

You must have a minimum cash balance in the Liquidity Account for every new investment in the Self-Invested Deposit Fund. This is used to cover the costs and withdrawals mentioned in this section.

It is your responsibility to actively monitor the liquidity balance regularly to make sure that there is sufficient funding to cover charges incurred during the term of your investment or any withdrawal or income requirements.

We may need to take cash from your deposit account should the liquidity balance go below the minimum amount that we require. This may incur a breakage charge. We do not accept liability for any loss suffered as a result of this.

All liquidity balances are held in the Liquidity Account. When the term ends on a fixed term deposit account and you want to invest in a new fixed term deposit, we will set aside the required liquidity.

As outlined on the next page, the liquidity amounts you must have when taking out a new deposit depend on the type of deposit you have. These are approximate amounts and could change in the future without notice.

We recommend that you review the balance in the Liquidity Account on a regular basis as charges are subject to change and the value of your deposits may change.

**RECOMMENDED LIQUIDITY AMOUNTS\* UNDER THE SELF-INVESTED DEPOSIT FUND**

Term	PRSA / Vested PRSA
Demand Deposit	3.00%
2 month fixed	0.21%
3 month fixed	0.31%
4 month fixed	0.41%
6 month fixed	0.63%
7 month fixed	0.73%
9 month fixed	0.94%
10 month fixed	1.04%
11 month fixed	1.15%
12 month fixed	1.25%

\* The recommended liquidity amounts are for charges only. You may need to set aside additional amounts for any withdrawals, income requirements or levies.

Irish Life will not be responsible for significant balances that remain in liquidity. It is your responsibility to monitor the Liquidity Account on an ongoing basis.

If the Liquidity Account is overdrawn we reserve the right to charge interest on the overdrawn balance at current market rates. Please contact your authorised investment adviser or our Self-Invested Fund team for more details.

If you retire and decide to leave your funds in your pension plan as a type of Approved Retirement Fund (ARF), it is possible that you may wish to make withdrawals at that stage. We will use the Liquidity Account to pay for any withdrawal requirements you may have. Please read your pension plan booklet for more information on withdrawal options.

It is your responsibility to monitor the balance of the Liquidity Account to ensure your funds are invested and that adequate liquid assets are set aside for charges and any withdrawal or income requirements.



**INTEREST EARNED ON THE LIQUIDITY ACCOUNT**

For current details on interest rates on balances held in the Liquidity Account, please contact our Self-Invested Fund team. For the avoidance of doubt, Irish Life will pass on any interest returns received on the Liquidity Account. In some instances these returns may be negative i.e. less than zero and may reduce the value of the Liquidity Account and the Self-Invested Deposit Fund.

## RISK FACTORS

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### WHAT ARE THE RISKS OF INVESTING IN A SELF-INVESTED DEPOSIT FUND?

You should be aware of the risks involved when investing in a Self-Invested Deposit Fund. Please note that there is no protection provided by any government or financial institution guarantee scheme. For further information please speak to your authorised investment adviser

#### INVESTMENT RISK

You are responsible for the investment risk the Self-Invested Deposit Fund takes on and so, before each investment, you should balance the possible risks and returns each investment might give.

#### LACK OF DIVERSIFICATION RISK

The more assets a fund holds, the less it is exposed to the performance of a single asset. Risk is spread among the different assets. If you only have a small number of assets in the fund, the risk is greater because there are fewer assets to spread the risk across.

#### THIRD PARTY/COUNTERPARTY RISK

This is the risk that one of the third parties cannot pay you what they owe. There is also a risk that the agreement with the third party is terminated. The arrangements with third parties are subject to terms and conditions which means they may not be liable for errors on their part. This could mean that you could lose some or all of the original amount you invested and may not receive any interest.

We will not use any of our assets to make up any shortfall. We will pass on the full value of any amounts we receive from these deposit providers

to you. We will not do due diligence on third parties.

It is your responsibility to understand the credit ratings of the deposit providers. Credit ratings are an assessment of how creditworthy an organisation is.

Please note any errors made by any of the deposit providers are their responsibility and Irish Life does not accept any of the responsibility to rectify any of these errors.



#### LIQUIDITY RISK

There may be delays in selling deposits with a specific term (e.g. fixed term deposit accounts) to make funds available to purchase other assets or to take retirement benefits.

It is important to note that depending on the deposit provider you may not be able to break the fixed term deposit before the maturity date.

Some deposit providers may not allow you to cash in a fixed term deposit account before the term ends. This could happen for example if you wish to take retirement benefits and the fixed term is after that date.

#### BREAKAGE CHARGE RISK

If you invest in a fixed term deposit account and wish to access the funds before the maturity date of a fixed term deposit account, you may incur a breakage charge. Breakage of a fixed term deposit account before the maturity date is subject to agreement by the deposit provider.

## VOLATILITY RISK

The risk rating of the Self-Invested Deposit Fund is categorised as 7 being the highest risk. If you invest in the Self-Invested Deposit Fund it is your responsibility to be aware of and understand the risk rating.

### LIQUIDITY COUNTERPARTY RISK



All funds in the Liquidity Account will be placed with counterparties chosen by Irish Life. Irish Life's commitment to you is to pass on the full amounts it receives from these counterparties in respect of the Liquidity Account. Our commitment to you is restricted to the amounts we actually receive from them. No other assets of Irish Life will be used to meet these commitments.

This means that if any counterparty is unable to meet its commitment to Irish Life in full you could lose some or all of the amounts held in the Liquidity Account.

## KEEPING TRACK OF THE FUND

The aim of the Self-Invested Deposit Fund is to give you control of the deposits you invest in within your pension plan while we take care of the administration of the fund for you.

We will be keeping records of:

- the deposits you hold;
- the transactions you make;
- the cash which has moved into and out of the Self-Invested Deposit Fund (the liquidity information);
- the charges and costs taken.

You will be able to see this information at any time via your own personal login on 'My Online Services' on our website [www.irishlife.ie](http://www.irishlife.ie). You will need to register for this service. Once you have done so, you can see a wide range of information 24 hours a day.

The website will give you the current indicative value of the Self-Invested Deposit Fund, together with the value of your pension plan, as well as the breakdown of the different funds you hold.

### MY ONLINE SERVICES



My Online Services helps you to keep up to date, at any time, with how your plan is performing.

You can:

- View the current value of your plan;
- Change your choice of fund\*;
- View your annual benefit statements; and
- Use our information service - weekly investment market updates, fund information and fund prices.

\*You will need to contact the Self-Invested Fund team to switch out of or into the Self-Invested Deposit Fund.

### VALUATION STATEMENT

You can also see details of the Self-Invested Deposit Fund online by viewing your Valuation Statement. This way you can keep track of any deposits you hold and see any inflows and outflows from the Self-Invested Deposit Fund.

The value of the Self-Invested Deposit Fund is only indicative until assets in that fund have been realised. When fully encashing from the Self-Invested Deposit Fund the value of the fund is indicative until all deductions, withdrawals and payments have been applied and the actual funds realised. The actual value may be higher or lower than the indicative value.

If at any time you have a specific question about the Self-Invested Deposit Fund, you can call your authorised investment adviser or the Self-Invested Fund team on 01 704 1832.

## YOUR QUESTIONS ANSWERED

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### HOW CAN I TAKE OUT A SELF-INVESTED DEPOSIT FUND?

You can choose to invest in the Self-Invested Deposit Fund through your PRSA plan.

When you set up the fund, you need to complete an Investment Instruction Form to tell us how you would like the Self-Invested Deposit Fund invested. If you do not give us any instructions, we will hold the funds in the Liquidity Account until we get an investment instruction from you. You can add the Self-Invested Deposit Fund to the plan at the start of the plan or add it at a later date.

### WHAT IS THE MINIMUM AMOUNT I CAN INVEST?

The minimum amount needed to set up a Self-Invested Deposit Fund is €20,000. If you do not have the minimum amount required you can use one of the other funds available on your pension plan to build up the minimum amount. Once you reach the minimum amount you can then switch this amount to the Self-Invested Deposit Fund. You will need to complete an Investment Instruction Form to do this.

### IS THERE A MAXIMUM INVESTMENT TERM?

No, but as with all pension investments, you must always consider the time remaining until your chosen retirement age. When selecting the appropriate deposit please ensure the maturity date of the deposit does not exceed your chosen retirement date. Failure to do so may result in a delay in your retirement or you may incur breakage charges if applicable.

### HOW CAN I CONTRIBUTE TO THE SELF-INVESTED DEPOSIT FUND?

You can contribute to the Self-Invested Deposit Fund at the start of the plan and you can top up at any stage.

### CAN I CHOOSE THIS FUND WITH ONE OF THE LIFESTYLE OPTIONS?

This fund is not available if you choose one of our Lifestyle Options. Please read your pension plan booklet for more details on these options.

### CAN I SWITCH IN AND OUT OF THE SELF-INVESTED DEPOSIT FUND?

Yes, it is possible to switch money from other funds into the Self-Invested Deposit Fund and from the Self-Invested Deposit Fund into other funds. There may be breakage charges if you cash in a fixed term deposit account, however, some deposit providers may not allow you to cash in a fixed term deposit account, before the term ends.

There could be a delay in switching from other funds into the Self-Invested Deposit Fund depending on the fund you are invested in, e.g. Property. In some instances, the value of the fund you are switching from could be reduced. Please refer to your Fund Guide for more details on which funds this may apply to.

### HOW LONG DOES IT TAKE TO OPEN A SELF-INVESTED DEPOSIT FUND?

The time for opening a Self-Invested Deposit Fund and placing a deposit will depend on whether you are starting the plan or switching into the Self-Invested Deposit Fund from another fund on your pension plan. Contributions into the Self-Invested Deposit Fund can take up to 5 days to be applied.



We do not accept market risk for delays that may occur.

## **HOW OFTEN IS MY SELF-INVESTED DEPOSIT FUND VALUED?**

The Self-Invested Deposit Fund is valued daily to include any cash flow movements (including additional contributions and charges) in the fund and is based on the most recent valuation of the underlying assets.

Depending on your deposit type, valuations will be based on how interest is reflected in the value of your plan during the term of a deposit or may be recognised on encashment/withdrawal at maturity. Please see 'How Interest is added to Deposit Accounts' on page 6 for further details. The value of the Self-Invested Deposit Fund is only indicative until assets in that fund have been realised. When fully encashing from the Self-Invested Deposit Fund the value of the fund is indicative until all deductions, withdrawals and payments have been applied and the actual funds realised. The actual value may be higher or lower than the indicative value.

A Valuation Statement is available through 'My Online Services' which shows your fund information. See section 6, Keeping track of your fund for more information.

## **CAN I CHANGE MY MIND?**

When you first take out your pension plan you have the right to cancel your policy within 30 days of the date we send you your Terms & Conditions. If you cancel within the 30 days, we will refund any regular contributions you have made and any single contributions (less any fall in value in the fund chosen if applicable). This is known as the 'cooling off period'.

After this 30-day period you cannot cancel the plan and you can only access your pension fund in line with normal pension rules and regulations.

You cannot withdraw those contributions from your pension plan after the cooling off period.

If you have set up a Self-Invested Deposit Fund, and have invested in a deposit account you may not be able to access this deposit until it reaches

maturity or you may suffer breakage charges if you wish to cancel your plan within the cooling off period.

## **HOW DO I MAKE A COMPLAINT?**

If you experience any problems, please call your authorised investment adviser or contact the Self-Invested Fund team on 01 704 1832. We monitor our complaint process to make sure it is of the highest standard. We do hope you never have to complain. However, if for any reason you do, we want to hear from you.

If, having contacted the Self-Invested Fund team, you feel we have not dealt fairly with your query, you can contact: The Office of the Pension Ombudsman. For further details please see your product booklet.

## **WHAT IF ANY OF MY DETAILS CHANGE?**

If any of your details change (for example name, address, e-mail address, mobile phone number) please contact our Self-Invested Fund team with the updated information. Incorrect details may mean you do not receive certain notifications relating to your fund.

## **WHAT HAPPENS IF A THIRD PARTY DEFAULTS ON ITS OBLIGATION TO IRISH LIFE?**

Irish Life's commitment to you is to pass on only the full amounts it receives from these third parties. Our commitment to you is restricted to the amounts we actually receive from them. No other assets of Irish Life will be used to meet these commitments. This means that if any third party does not meet its commitment to Irish Life in full you could lose some or all of your funds.

## **IS THE SELF-INVESTED DEPOSIT FUND COVERED BY THE DEPOSIT GUARANTEE SCHEME?**

The fund is not protected by any government or financial institution guarantee scheme, including the Deposit Guarantee Scheme.

## TERMS AND CONDITIONS RELATED TO THE SELF-INVESTED DEPOSIT FUND

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These Terms and Conditions replace and supersede all previous Terms and Conditions and are effective from October 2015, or for new customers are effective from the date of issue of your plan and shall form part of the Terms and Conditions of the plan if you choose to invest in the Self-Invested Deposit Fund. They should be read in conjunction with your plan Terms and Conditions, your plan schedule or switch letter, the other sections of your Guide to the Self-Invested Deposit Fund, the Application Form (including any additional application forms required when investing in the Self-Invested Deposit Fund) and any subsequent endorsement which may be added to the plan.

Throughout these Terms and Conditions we refer to 'you'. Who we mean by 'you' depends on the type of plan.

For PRSAs, 'you' refers to the person named as the customer in the plan schedule.

### 1. THE SELF-INVESTED DEPOSIT FUND

This is one of the fund choices available to you under this plan. The investments in the Self-Invested Deposit Fund will be determined by you, within the limits of and subject to the terms and conditions laid down by us from time to time. There will be a different Self-Invested Deposit Fund for each individual and only your plan will be linked to that fund. Before you invest any contributions in the Self-

Invested Deposit Fund it is essential that you read this booklet including these Terms and Conditions and you must complete the relevant Investment Instruction Form. All investments you choose for the fund must be assessed and approved by us prior to investment.

We will not be assessing the advisability or suitability of any proposed investment for you nor will we do due diligence on third parties, or any investments, including any product literature and whether it is accurate in the context of Irish Life as the legal and beneficial owners of the assets.

As you are responsible for the choice of investments in the Self-Invested Deposit Fund, you will be taking on various types of risks, depending on the deposits we are asked to invest in. You should ensure that you have received appropriate advice in relation to the suitability of the investment being chosen for your needs and that you understand and accept the risks associated with the investments chosen. We will not accept any liability for the choice of investments in the Self-Invested Deposit Fund or for investment performance.

We reserve the right to dispose of any investments in the Self-Invested Deposit Fund in order to provide benefits under this plan. We also have the right to dispose of any investments in the fund in order to settle an overdrawn balance in the Liquidity Account. We do not accept liability for any loss suffered as a result.

## 2. APPLICATION PROCESS FOR THE SELF-INVESTED DEPOSIT FUND

If you wish to invest into the Self-Invested Deposit Fund, you must have completed the application process for the fund. This process may change from time to time. Please ask us for details on the current application process. There are minimum amounts required for investments into the Self-Invested Deposit Fund, and for certain transactions within that fund. There may be a delay before contributions can be applied to the Self-Invested Deposit Fund.

The minimum investment in the Self-Invested Deposit Fund is €20,000.

## 3. INVESTMENTS IN THE SELF-INVESTED DEPOSIT FUND

This booklet explains this fund in detail; you should read this carefully before investing in this fund.

If you invest in the Self-Invested Deposit Fund, your initial investment will sit in a cash account in this fund until you tell us how to invest your money. This cash account is called the 'Liquidity Account' and the cash balance of this account is called 'liquidity' (see section 10 on page 19).

You will have discretion over the selection of deposit accounts from a panel of providers subject to the terms and conditions of your pension contract.

All investments in the Self-Invested Deposit Fund will be owned by and registered in Irish Life's name. Our commitment to you is to pass on the full value of the full amounts we receive from the provider you choose for your investment. Our commitment is restricted to the returns we actually receive from the provider you have selected.

You are aware there is a risk that one of the third parties cannot pay you what they owe. There is also a risk that the agreement with the third party is terminated. The arrangements with third parties are subject to terms and

conditions which means they may not be liable for errors on their part. This could mean that you could lose some or all of the original amount you invested. We will pass on the full value of any amounts we receive from these third parties to you. We will not use any of our assets to make up any shortfall. We will not do due diligence on third parties.

You are required to keep a minimum amount in the Liquidity Account as part of your Self-Invested Deposit Fund in order to cover the cost of managing the fund. If the amount falls below the minimum required, we may need to sell deposits you have invested in. You may incur a breakage charge as a result. We do not accept any liability for any loss suffered as result.

In certain circumstances we may need to increase the minimum liquidity amount in future, for example, if there are changes in tax legislation.

For fixed term deposits, due to the fact that the rates offered on deposit accounts are based on a fixed term, if you require access to the cash before the maturity date of the investment, you may be subject to a breakage charge by the deposit provider. This fee will be taken from the funds on deposit, prior to their return to the Self-Invested Deposit Fund Liquidity Account. Please note that the breakage charge will vary depending on the term of the deposit and the amount invested.

When selecting the appropriate deposit please ensure the maturity date of the deposit does not exceed your chosen retirement date.

We reserve the right to dispose of any investments in the Self-Invested Deposit Fund in order to provide benefits under this plan. We do not accept liability for any loss suffered as a result.

If we do not receive instructions from you (or the person to whom you have delegated authority) regarding which deposit accounts to invest in, your money will remain in the Liquidity Account until you tell us otherwise. Irish Life accepts no responsibility for decisions

taken on your behalf by any person to whom you have delegated authority.

## **4. VALUE OF THE SELF-INVESTED DEPOSIT FUND**

The value of the Self-Invested Deposit Fund is only indicative until assets in that fund have been realised. The Self-Invested Deposit Fund value for any encashments, benefit payments, switches or transfers will reflect the valuation of the assets after they have been realised and all outstanding charges and costs deducted.

## **5. CALCULATION OF THE SELF-INVESTED DEPOSIT FUND UNIT PRICE**

The unit price we use for the Self-Invested Deposit Fund is based on the most recent valuation. In the event of an encashment, switch, transfer or benefit payment of any type (excluding regular and minimum withdrawals) the value used for the Self-Invested Deposit Fund will be the value after assets in the Self-Invested Deposit Fund have been realised and all costs, charges or other amounts due have been deducted.

## **6. MINIMUM WITHDRAWALS**

If you are invested in the Self-Invested Deposit Fund, you should note that any minimum withdrawal payments will be taken from the rest of your funds excluding your Self-Invested Deposit Fund first. If there are insufficient monies in your other funds excluding your Self-Invested Deposit Fund then the withdrawal will be taken proportionately across all your funds including from the cash element (the Liquidity Account) of your Self-Invested Deposit Fund. If you are fully invested in your Self-Invested Deposit Fund then your withdrawal will be paid from the cash element (the Liquidity Account) of the Self-Invested Deposit Fund. If withdrawal payments are taken from your Self-Invested Deposit Fund it may cause the Liquidity Account to become overdrawn and you may incur interest charges on the overdrawn balance. We reserve the right to

dispose of any investments in the Self-Invested Deposit Fund in order to provide benefits including withdrawals under this plan or to clear any overdrawn balance on the Liquidity Account part of your Self-Invested Deposit Fund. For your Self-Invested Deposit Fund, the accumulated fund value used to calculate your regular withdrawal will be indicative as the true value will not be known until assets in the fund are sold.

The method of deducting any minimum withdrawal amounts is at our discretion and may be subject to change without notice.

## **7. RETIREMENT BENEFITS**

Where some or all of the PRSA is invested in the Self-Invested Deposit Fund, payment of retirement benefits will occur when all assets within that fund have been liquidated and all outstanding costs and charges deducted. We may delay any requests to switch from this fund until such a time as we are able to realise assets within that fund. It is therefore important when selecting the appropriate deposit to ensure the maturity date of the deposit does not exceed your chosen retirement date.

## **8. DEATH BENEFIT**

We reserve the right to dispose of any investments in the Self-Invested Deposit Fund in order to provide benefits under this plan. Payment of the death benefit will occur when all assets within the fund have been liquidated and all outstanding costs and charges deducted. We do not accept liability for any loss suffered as a result.

## **9. DEPOSIT ACCOUNT INFORMATION**

Any investments in your Self-Invested Deposit Fund will not be covered by any Government Deposit Guarantee that would apply to a retail investor.

**Irish Life will return to our customers what we receive back from the various third party deposit providers.**

This is the risk that one of the third parties cannot pay you what they owe. There is also a risk that the agreement with the third party is terminated. The arrangements with third parties are subject to terms and conditions which means they may not be liable for errors on their part. This could mean that you could lose some or all of the original amount you invested. We will pass on the full value of any amounts we receive from these third parties to you. We will not use any of our assets to make up any shortfall. We will not do due diligence on third parties.

Please note any errors made by any of the deposit providers are their responsibility and it is up to the providers to rectify any of these errors. We are not responsible for any advice you receive from a third party. We are not responsible for any delays, errors or losses caused by failures by third party systems or delays in them passing us information relating to your investment. We do not do any due diligence on third parties or on the deposits you request us to invest in.

This includes additional product literature from a product provider other than Irish Life and which is connected to the assets you request us to invest in.

### **Breakage charge for Deposit Accounts**

Rates on fixed term deposit accounts are based on the fixed term. If you want to switch from the deposit account in the Self-Invested Deposit Fund, or if you want to take benefits under your plan before the account's maturity date, you may be charged a breakage charge by the provider of the deposit account. It may also apply if deposits are cashed in early to pay benefits in the event of your death.

This fee will be taken from the amount invested in the fixed term account before it is transferred back to the Self-Invested Deposit Fund Liquidity Account. Please note that the breakage charge will vary depending on the term of the deposit and the amount invested. Breakage of a fixed term deposit before the maturity date is subject to agreement by the deposit provider and breakage charges may apply.

## **10. THE LIQUIDITY ACCOUNT**

Once contributions have been applied to the Self-Invested Deposit Fund, they will be held in a cash account within your plan until we receive your investment instructions and any further information we require in order to place an investment. This cash account is called the 'Liquidity Account' and the cash balance in this account is known as 'liquidity'.

On each new investment within your Self-Invested Deposit Fund, you are required to set aside a certain percentage of your fund to cover charges and withdrawals that may be applicable.

If the investment term is greater than one year, the required liquidity amount will reflect this. For assets with a term of greater than one year a significant amount of your investment may be required to be held in the Liquidity Account. Please note that you are free to invest this cash in short term liquid investments if you wish, but you must ensure there are adequate liquid funds to cover charges and any regular withdrawal or required minimum regular withdrawal amounts.

All liquidity balances are held in the Self-Invested Deposit Fund Liquidity Account. When an asset matures the proceeds are placed in the Liquidity Account and may be used to clear any outstanding overdraft that has arisen on the Liquidity Account. The proceeds from a maturity will remain in the Liquidity Account until we receive an investment instruction from you. When you give us an instruction to re-invest this money, we will set aside the required liquidity for your chosen new investment.

Please note that we will also set aside the minimum withdrawal amount 4% or 5% depending on your age (or 6% on funds in excess of €2 million as at October 2015) for certain vested PRSA plans on initial investment in the Self-Invested Deposit Fund. On an ongoing basis you must ensure there are sufficient funds in the Liquidity Account to

cover any required withdrawals.

For current details on interest rates on balances held in the Liquidity Account, please contact our Self-Invested Fund team. For the avoidance of doubt, Irish Life will pass on any interest returns received on the Liquidity Account. In some instances these returns may be negative i.e. less than zero and may reduce the value of the Liquidity Account and the Self-Invested Deposit Fund.

For pre-retirement plans subject to the government pension levy an additional amount will need to be set aside in the Liquidity Account. Withdrawals due to the pension levy will then be taken proportionately from all of the funds in which your plan is invested.

You need to ensure that the Liquidity Account does not become overdrawn. If the account is overdrawn, we reserve the right to charge interest on overdrawn balances at current market rates. Please contact your authorised investment adviser or the Self-Invested Fund team for more details.

It is your responsibility to monitor the balance of the Liquidity Account to ensure your funds are invested and that adequate liquid assets are set aside for charges, levies, imputed distributions and any withdrawal requirements.

The minimum cash balance we require will depend on what asset you have chosen to invest in. You should refer to us for the current minimum levels.

If there is insufficient cash available to cover amounts as they fall due we reserve the right to either deduct units from the other funds within your plan, if you have units in other funds, or sell assets in the Self-Invested Deposit Fund. The timing of these sales will be at our discretion and we will not be liable for any loss incurred as a result.

### **Overdrawn balance interest**

If the Liquidity Account does not have sufficient funds to pay for charges and fees, or have sufficient funds to cover withdrawals, the Liquidity Account may become overdrawn as a result. We reserve the right to charge interest on overdrawn balances at current market rates.

# CONTACT US

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**SELF-INVESTED FUND TEAM E-MAIL:** [selfinvestedteam@irishlife.ie](mailto:selfinvestedteam@irishlife.ie)

**WEBSITE:** [www.irishlife.ie](http://www.irishlife.ie)

**PHONE US:**

Self-Invested Fund team

01 704 1832

Irish Life Customer Service

01 704 1010 (Queries about Irish Life funds other than the Self-Invested Fund)

Execution-only Telephone Service

Free Phone 1800 800 090

Self-Invested Fund team fax

01 704 1988

**WRITE TO US:**

Irish Life, Lower Abbey Street, Dublin 1.

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In the interest of customer service we will record and monitor calls.

**PENSIONS**  
INVESTMENTS  
LIFE INSURANCE



# Irish Life

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